

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 93-400-A
LITTLE GAS COMPANY, INC.)	

O R D E R

On December 17, 1993, the Commission issued its Order in Case No. 93-400 approving the merger of Elsie Neeley Gas Company, Inc. ("Elsie Neeley") and Phelps Gas Company, Inc. ("Phelps") into Mike Little Gas Company, Inc. ("Mike Little") and providing for the adjustment of rates of the merged companies on a quarterly basis in accordance with the provisions of Mike Little's gas cost adjustment ("GCA") clause.

On January 11, 1994, Mike Little filed its first quarterly GCA subsequent to the approved merger, which was proposed to become effective February 1, 1994 and remain in effect until April 30, 1994. Mike Little included with its application a request to waive the 30-day notice requirement pursuant to KRS 278.180.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Mike Little's notice of January 11, 1994 set out certain revisions in rates which Mike Little proposed to place into effect, said rates being designed to pass on to its customers the expected weighted average wholesale gas cost from the suppliers of the combined system. Mike Little's expected gas cost ("EGC")

adjustment for the quarter beginning February 1, 1994 is \$4.1173 per Mcf.

2. Mike Little's notice set out no refund adjustment.

3. Mike Little's notice included a current quarter actual adjustment ("AA") for the combined company in the amount of .79 cent per Mcf to compensate for under-recoveries experienced by Mike Little, Elsie Neeley, and Phelps through the operation of their gas cost recovery procedures during the months of August, September, and October 1993. Mike Little's total AA in the amount of .79 cent per Mcf is calculated to collect only the current under-recovery of the combined system. Remaining AAs of the individual companies are set out separately and will be added to the rates of the three system segments as separate components of their rates until they expire. This methodology appears reasonable and should be approved.

4. The combined effect of the above adjustments is Mike Little's gas cost recovery rate ("GCR") in the amount of \$4.1252 per Mcf.

5. The rates set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 90-077 dated December 7, 1990, are fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after the date of this Order.

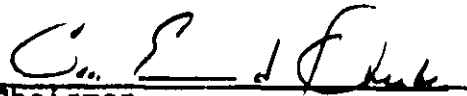
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with gas supplied on and after the date of this Order.

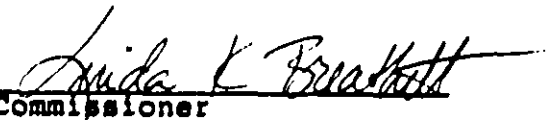
2. Within 30 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 10th day of February, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-400-A DATED February 10, 1994.

The following rates and charges are prescribed for the customers in the area served by Mike Little Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES FOR CUSTOMERS FORMERLY SERVED BY MIKE LITTLE GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Remaining ACA Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$2.8211	\$4.1252	\$.2765	\$7.2228
Over 1 Mcf	2.6040	4.1252	.2765	7.0057

RATES FOR CUSTOMERS FORMERLY SERVED BY ELZIE NEELEY GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Remaining ACA Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$3.4984	\$4.1252	\$.1109	\$7.7345
Over 1 Mcf	2.4658	4.1252	.1109	6.7019

RATES FOR CUSTOMERS FORMERLY SERVED BY PHELPS GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Remaining ACA Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$4.3971	\$4.1252	\$ (.0146)	\$8.5077
Over 1 Mcf	2.7670	4.1252	(.0146)	6.8776